



OFFICE OF  
INSURANCE COMMISSIONER

In the Matter of	)	No. G 05-75
	)	
The Market Conduct Examination of	)	FINDINGS, CONCLUSIONS,
	)	AND ORDER ADOPTING REPORT
<b>Western National Assurance Company</b>	)	OF
	)	MARKET CONDUCT EXAMINATION
	)	
Authorized Domestic Insurer	)	
	)	

**BACKGROUND**

An examination of the market conduct of **Western National Assurance Company** (the Company) as of June 30, 2004 was conducted by examiners of the Washington Office of the Insurance Commissioner (OIC). The Company, domiciled in the state of Minnesota, holds a Washington certificate of authority as a stock insurer. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, instructions, and recommendations was transmitted to the Company for its comments on August 12, 2005. The Company's response to the report is attached to this order only for the purpose of providing convenient review of the response.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and submissions by the Company.

Subject to the right of the Company to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

**FINDINGS**

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 3 through 25 of the report.

## CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct examination of **Western National Assurance Company** and to order the Company to take the actions described in the Instructions and Recommendations sections of the report. The Commissioner acknowledges that the Company may have implemented the Instructions and Recommendations prior to the date of this order. The Instructions and Recommendations in the report are an appropriate response to the matters found in the examination.

## ORDER

The market conduct examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

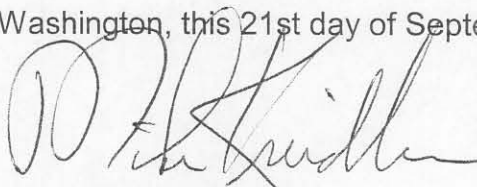
The Company is ordered as follows, this being the Instructions and Recommendations contained in the examination report on page 21.

1. The Company is ordered to comply with RCW 48.22.085(2) and obtain PIP rejections as required. (Underwriting Standard #3). (Instruction 1, Page 21)
2. The Company is ordered to comply with WAC 284-24-100 to ensure that those files eligible for schedule rating contain the supporting documentation and underwriter's analysis as required. The Company is further ordered to return premium on all policies referenced in the exam findings. (Underwriting Standard #5). (Instruction 2, Page 21)
3. The Company is ordered to comply with RCW 48.18.070 and not alter an application without the insured's written permission. (Underwriting Standard #11). (Instruction 3, Page 21)
4. The Company is ordered to comply with RCW 48.19.040(1) and (6) and issue policies according to its filed rates. (Rates & Forms Filings Standard #2). (Instruction 4, Page 21)
5. The Company is ordered to comply with WAC 284-30-3901 through 3916 and settle all total loss claims in accordance with its requirements. (Claims Standard #7). (Instruction 5, Page 21)
6. The Company is ordered to comply with WAC 284-30-395 and ensure all PIP claimants receive the information that explains under what circumstances PIP benefits can be terminated, limited, or denied. (Claims Standard #8). (Instruction 6, Page 21)

7. The Company is ordered to consider establishing a procedure to ensure that insureds are contacted and made aware of underwriting information that is being requested through their agents, prior to taking any adverse action because the requested information has not been received. (Recommendation 1, Page 21)

IT IS FURTHER ORDERED THAT, the Company file with the Chief Market Conduct Examiner, within 90 days of the date of this order, a detailed report specifying how the Company has addressed each of the requirements of this order.

ENTERED at Olympia, Washington, this 21st day of September, 2005.

A handwritten signature in black ink, appearing to read "Mike Kreidler", is written over the printed name and title.

MIKE KREIDLER  
Insurance Commissioner